



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

D. Nielson

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

December 23, 1987

CERTIFIED RETURN RECEIPT REQUEST
(P 168 903 991)

Mr. O. W. Gushee, Jr.
Pruitt, Gushee & Fletcher
Suite 1850 Beneficial Life Tower
Salt Lake City, Utah 84111

Oliver
Dear Mr. Gushee:

Re: Proposed Board Contract, Crystal Peak Minerals Corporation,
Sevier Dry Lake Project, M/027/008-(86)1, Millard County, Utah

The Division is in receipt of your December 2, 1987 letter containing a proposed alternative form of surety for the above referenced mining operation. Your request to replace the existing Irrevocable Standby Letter of Credit with a Board Contract will be put before the Board of Oil, Gas and Mining during the regularly scheduled hearing of Thursday, January 21, 1988.

In reference to my previous letter of September 10, 1987, I indicated that unless other bonding arrangements were made prior to December 15, 1987, the Division may initiate the termination procedure outlined in the Collateral Bonding and Indemnity Agreement. While it is understood that the proposed Board Contract has been submitted to meet this requirement, please be advised that notice is hereby given that Crystal Peak Minerals Corporation must obtain Board approval for this or an alternative form of surety within 90 days of your receipt of this letter to avoid forfeiture of the existing surety.

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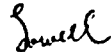
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Mr. Cliver Gushee

December 23, 1987

The Division would like to cooperate in every way possible to arrange a form of surety acceptable to both your client and the Board. As always, if I can be of assistance in resolving this permitting matter, please contact me or David Wham at your earliest convenience.

Sincerely,



Lowell P. Braxton
Administrator, Mineral Resource
Development and Reclamation Program

DMW:dw

cc: D. Wham

K. May

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